

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5330-04
Bill No.: Truly Agreed To and Finally Passed SS for SCS for HB 2317
Subject: Property, Real and Personal; Attorney General, State
Type: Original
Date: June 1, 2010

Bill Summary: Authorizes the Governor to convey certain state properties and requires the Office of Administration to provide senators and representatives with access to the dome of the state capitol.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 8.016 Keys to the Dome

Officials from the **Office of Administration (COA) - Commissioner's Office** state that if expanded access is granted to the State Capitol Dome, the state will be liable for any claims if an injured individual sues the state. In the past two (2) years, there have been two incidents where an individual was injured as a result of visitors being allowed access to the dome. In one instance, the injured individual was taken to the emergency room at a local hospital. In the other instance, emergency medical services (EMS) personnel refused to climb the stairway going to the dome because they could not properly transport the individual down the staircase. A Capitol Police officer was able to assist the visitor down the stairs where EMS personnel provided aid.

COA - Division of General Services, Risk Management (GS/RM) officials assume there would be an increase in the number of visitors to the Capitol Dome if the proposal is approved. Therefore, the likelihood of an accident or injury increases. While there have been no claims to date, the likelihood of a claim increases and these costs would have to be covered by the state's Legal Expense Fund. For any one person in a single accident or occurrence, the maximum waiver of sovereign immunity for a dangerous condition of property claim would be \$378,814 (for claims occurring in 2009; new figures are not out yet for 2010). For all claims arising out of a single accident or occurrence, the maximum would be \$2,525,423.

COA - Division of Facilities Management, Design and Construction (FMDC) officials state increased access to the Capitol Dome area would require the COA to make extensive modifications to the space because access to this area was not designed for heavy traffic. There are more than 300 caged steps and no ventilation system, which could cause problems for anyone with health issues. This creates serious accessibility issues in the case of a medical emergency and medical-related evacuation. In addition, there is no way to get emergency equipment to the upper dome area. The state could incur costs to fix roofs and other structures and there is insufficient protection to visitors above the existing wall surrounding the area.

During FY 08, the FMDC conducted a study to determine the feasibility of access to the Whispering Gallery. The proposal will impact the state's Capital Improvement budget as design and construction costs to the Gallery and Dome are estimated at \$2,590,000. This estimate includes the addition of appropriate heating, ventilation and air conditioning equipment for the space. Required modifications include the design of safe entrances and exists, protection of building electrical components and other safety features, but does not include asbestos abatement or wheelchair accessibility.

ASSUMPTION (continued)

The proposal will also impact FMDC's operating appropriation for the costs associated with heating, cooling, maintenance, and cleaning of the space on an on-going basis. The FMDC is unable to estimate these costs until construction is finalized.

Finally, the COA would incur additional costs to duplicate 197 keys, but these costs could be covered with existing resources.

In summary, providing expanded access to the State Capitol Dome could increase the state's liability in the event of a claim more than \$2.5 million per incidence; design and construction costs to the Whispering Gallery and Dome are estimated at \$2.59 million. There are also other unknown costs associated with the proposal, including asbestos removal, wheelchair access and annual heating, cooling, maintenance and cleaning costs.

Oversight assumes the proposal is only mandating the provision of keys to the legislators and, as a result, is not presenting the COA's Legal Expense Fund or design and construction costs.

Conveyance of all the properties

Officials at the **Office of the Attorney General** assume that any potential costs arising from this proposal can be absorbed with existing resources.

Officials at the **Office of the Governor** assume that there is no fiscal impact from this proposal.

Sections 1 and 2 Cape Girardeau and Lottery Property

Officials at the **Office of Administration's** Facilities Management, Design and Construction assume no fiscal impact. Their understanding is the City of Cape Girardeau is giving the state comparable property in exchange for the conveyance and a trade of easements is happening at the Lottery Headquarters.

Officials at the **Missouri Lottery** and the **Missouri Veterans Commission** assume that there is no fiscal impact from this proposal.

Officials at the City of Cape Girardeau, Cape Girardeau County and Cole County did not respond to **Oversight's** request for fiscal impact.

Sections 3 and 8 Church Farm and Warden Residence at Boonville Correctional Center

Officials at the **Department of Corrections (DOC)** assume Missouri Vocational Enterprises (MVE) within the DOC's Division of Offender Rehabilitative Services (DORS) currently leases

ASSUMPTION (continued)

out the land in the Church Farm Bottoms. The Working Capital Revolving Fund would sustain a loss of revenue generated by this lease if the land was conveyed. The fiscal impact is Unknown. General Revenue is not fiscally impacted as it pertains to DOC.

Officials at the **Office of Administration** assume the value of the properties are as follows:

Church Farm	\$1.5 million
Warden Residence	\$60,000

Officials at the City of Boonville and Cooper County did not respond to Oversight's request for fiscal impact. **Oversight** assumes this conveyance will be handled just like all state conveyances and will not have an effect on the state.

Sections 4, 6, 7 and 11 Mental Health Properties

Officials at the **Department of Mental Health** defers to the Office of Administration for its response.

Officials at the **St. Louis County** and the **City of Farmington** assume that there is no fiscal impact from this proposal.

In response to previous versions of this bill, officials at the **City of Nevada** assume the impact to be neutral. The proposed purchase price and appraised value is unknown. However; a long term savings may be realized as any costs incurred to purchase or improve the property will offset the potentially greater costs associated with the purchase and development of an alternate location intended to meet the City's need for expanded municipal facilities. Additionally, the City may choose to partner with other public or private entities to improve the site. In that case these costs may be recaptured or additional savings gained by the City through a development or intergovernmental agreement.

Officials at the **Office of Administration** assume the value of the properties are as follows:

New Ballwin Mental Health Group Home	\$150,000
Nevada Habilitation Center	Unknown
Mental Health Center KC	\$50,000
Southeast Mo Mental Health Center	\$250,000

Officials at the Jackson County, City of Kansas City, St. Francois County and Vernon County did not respond to **Oversight's** request for fiscal impact. **Oversight** assumes this conveyance will be handled just like all state conveyances and will not have an effect on the state.

ASSUMPTION (continued)

Section 5 Maryville Airport Hanger Property

Officials at the **Office of Administration's Facilities Management, Design and Construction** assume no fiscal impact on OA. FMDC estimates the land and hanger value at \$240,000.

Officials at the **City of Maryville** assume that the City would have to expend funds to fix up the dilapidated hanger to bring it up to code and make the necessary improvements. Overall, though it would not hurt the City but rather help in the long term provide the City with an additional revenue source at the airport.

Officials at the County of Nodaway did not respond to **Oversight's** request for fiscal impact. **Oversight** assumes this conveyance will be handled just like all state conveyances and will not have an effect on the state.

Section 9 Franklin County Property

Officials at the **Office of Administration's Facilities Management, Design and Construction** assume no fiscal impact on OA. FMDC estimates the land value at \$400,000 to \$500,000.

Officials at the Franklin County did not respond to **Oversight's** request for fiscal impact. **Oversight** assumes this conveyance will be handled just like all state conveyances and will not have an effect on the state.

Section 10 Sunrise State School Property

Officials at the **Office of Administration** assume the value of the property is unknown.

Officials at the **City of Marshfield** assume that there is no fiscal impact from this proposal.

Officials at the Webster County did not respond to **Oversight's** request for fiscal impact. **Oversight** assumes that the State will handle these conveyances so they have no negative impact on the state.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This act authorizes the Governor to convey several state properties.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

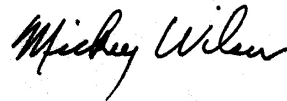
SOURCES OF INFORMATION

City of Farmington
City of Maryville
City of Marshfield
City of Nevada
Department of Corrections
Department of Mental Health
Missouri Lottery
Office of the Attorney General
Office of Administration -
 Division of General Services/Risk Management
 Division of Facilities Management, Design and Construction
Office of the Governor
Missouri Veterans Commission
St. Louis County

JH:LR:OD

Not Responding

City of Boonville
City of Cape Girardeau
City of Jefferson City
City of Kansas City
Cape Girardeau County
Cole County
Cooper County
Franklin County
Jackson County
Nodaway County
St. Francois County
Vernon County
Webster County

A handwritten signature in black ink that reads "Mickey Wilson". The signature is fluid and cursive, with the first name "Mickey" and last name "Wilson" clearly distinguishable.

Mickey Wilson, CPA
Director
June 1, 2010